



General Assembly

Substitute Bill No. 178

February Session, 2010

* ____SB00178CE____031910____ *

AN ACT CONCERNING ECONOMIC INDICATORS IN ENERGY DECISIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 16-245m of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2010*):

4 (d) (1) The Energy Conservation Management Board shall advise
5 and assist the electric distribution companies in the development and
6 implementation of a comprehensive plan, which plan shall be
7 approved by the Department of Public Utility Control, to implement
8 cost-effective energy conservation programs and market
9 transformation initiatives. Each program contained in the plan shall be
10 reviewed by the electric distribution company and either accepted or
11 rejected by the Energy Conservation Management Board prior to
12 submission to the department for approval. The Energy Conservation
13 Management Board shall, as part of its review, examine opportunities
14 to offer joint programs providing similar efficiency measures that save
15 more than one fuel resource or otherwise to coordinate programs
16 targeted at saving more than one fuel resource. Any costs for joint
17 programs shall be allocated equitably among the conservation
18 programs. The Energy Conservation Management Board shall (A)
19 consider the economic impact of proposed projects identified in the

20 plan, and (B) give preference to projects that maximize the reduction of
21 federally mandated congestion charges. The Department of Public
22 Utility Control shall, in an uncontested proceeding during which the
23 department may hold a public hearing, approve, modify or reject the
24 comprehensive plan prepared pursuant to this subsection.

25 (2) There shall be a joint committee of the Energy Conservation
26 Management Board and the Renewable Energy Investments Board.
27 The board and the advisory committee shall each appoint members to
28 such joint committee. The joint committee shall examine opportunities
29 to coordinate the programs and activities funded by the Renewable
30 Energy Investment Fund pursuant to section 16-245n, as amended by
31 this act, with the programs and activities contained in the plan
32 developed under this subsection to reduce the long-term cost,
33 environmental impacts and security risks of energy in the state. In
34 conducting such examination, the joint committee shall consider the
35 impact of such programs and activities on the state's economy. Such
36 joint committee shall hold its first meeting on or before August 1, 2005.

37 (3) Programs included in the plan developed under subdivision (1)
38 of this subsection shall be screened through cost-effectiveness testing
39 which compares the value and payback period of program benefits to
40 program costs to ensure that programs are designed to obtain energy
41 savings and system benefits, including mitigation of federally
42 mandated congestion charges, whose value is greater than the costs of
43 the programs. Cost-effectiveness testing shall utilize available
44 information obtained from real-time monitoring systems to ensure
45 accurate validation and verification of energy use. Such testing shall
46 include an analysis of the effects of investments on increasing the
47 state's load factor. Program cost-effectiveness shall be reviewed
48 annually, or otherwise as is practicable. If a program is determined to
49 fail the cost-effectiveness test as part of the review process, it shall
50 either be modified to meet the test or shall be terminated. On or before
51 March 1, 2005, and on or before March first annually thereafter, the
52 board shall provide a report, in accordance with the provisions of
53 section 11-4a, to the joint standing committees of the General

54 Assembly having cognizance of matters relating to energy and the
55 environment (A) that documents expenditures and fund balances and
56 evaluates the cost-effectiveness of such programs conducted in the
57 preceding year, and (B) that documents the extent to and manner in
58 which the programs of such board collaborated and cooperated with
59 programs, established under section 7-233y, of municipal electric
60 energy cooperatives. To maximize the reduction of federally mandated
61 congestion charges, programs in the plan may allow for
62 disproportionate allocations between the amount of contributions to
63 the Energy Conservation and Load Management Funds by a certain
64 rate class and the programs that benefit such a rate class. Before
65 conducting such evaluation, the board shall consult with the
66 Renewable Energy Investments Board. The report shall include a
67 description of the activities undertaken during the reporting period
68 jointly or in collaboration with the Renewable Energy Investment
69 Fund established pursuant to subsection (c) of section 16-245n, as
70 amended by this act.

71 (4) Programs included in the plan developed under subdivision (1)
72 of this subsection may include, but not be limited to: (A) Conservation
73 and load management programs, including programs that benefit low-
74 income individuals; (B) research, development and commercialization
75 of products or processes which are more energy-efficient than those
76 generally available; (C) development of markets for such products and
77 processes; (D) support for energy use assessment, real-time monitoring
78 systems, engineering studies and services related to new construction
79 or major building renovation; (E) the design, manufacture,
80 commercialization and purchase of energy-efficient appliances and
81 heating, air conditioning and lighting devices; (F) program planning
82 and evaluation; (G) indoor air quality programs relating to energy
83 conservation; (H) joint fuel conservation initiatives programs targeted
84 at reducing consumption of more than one fuel resource; (I) public
85 education regarding conservation; and (J) the demand-side technology
86 programs recommended by the procurement plan approved by the
87 Department of Public Utility Control pursuant to section 16a-3a. Such

88 support may be by direct funding, manufacturers' rebates, sale price
89 and loan subsidies, leases and promotional and educational activities.
90 The plan shall also provide for expenditures by the Energy
91 Conservation Management Board for the retention of expert
92 consultants and reasonable administrative costs provided such
93 consultants shall not be employed by, or have any contractual
94 relationship with, an electric distribution company. Such costs shall
95 not exceed five per cent of the total revenue collected from the
96 assessment.

97 Sec. 2. Subsection (d) of section 16-245n of the general statutes is
98 repealed and the following is substituted in lieu thereof (*Effective July*
99 *1, 2010*):

100 (d) There is hereby created a Renewable Energy Investments Board
101 to act on matters related to the Renewable Energy Investment Fund,
102 including, but not limited to, development of a comprehensive plan
103 and expenditure of funds. The Renewable Energy Investments Board
104 shall, in such plan, (1) consider the economic impact of proposed
105 projects, and (2) give preference to projects that maximize the
106 reduction of federally mandated congestion charges. The Renewable
107 Energy Investments Board shall make a draft of the comprehensive
108 plan available for public comment for not less than thirty days. The
109 board shall conduct three public hearings in three different regions of
110 the state on the draft comprehensive plan and shall include a
111 summarization of all public comments received at said public hearings
112 in the final comprehensive plan approved by the board. The board
113 shall provide a copy of the comprehensive plan, in accordance with the
114 provisions of section 11-4a, to the joint standing committees of the
115 General Assembly having cognizance of matters relating to energy and
116 commerce. The Department of Public Utility Control shall, in an
117 uncontested proceeding, during which the department may hold a
118 public hearing, approve, modify or reject the comprehensive plan
119 prepared pursuant to this subsection.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2010</i>	16-245m(d)
Sec. 2	<i>July 1, 2010</i>	16-245n(d)

CE *Joint Favorable Subst.*